

November 14, 2008

Ms. Julie Orchard, Secretary  
Public Service Commission of Utah  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, Utah 84111

*Re: Docket #08-2302-T02 (for Carbon/Emery Telcom, Inc.)*

Dear Ms. Orchard:

In accordance with the Public Service Commission of Utah's (the "Commission") Rule R746-405, Carbon/Emery Telcom, Inc. ("Carbon") submits for filing the original, an electronic copy (sent via email to Trixie Behr – [tbehr@utah.gov](mailto:tbehr@utah.gov)), and one (1) copy of the following:

1. Carbon/Emery Telcom, Inc. P.S.C. Utah No. 1, 1st Revised Sheets No. 111-113, replacing Original Sheets 111-113.

This tariff change standardizes previous forms of switched service offered to Carbon customers as well as adds previously unoffered ISDN PRI. Pricing for the digital switched service offerings ("DSS") was based upon equivalent cost based single line business rates. Each of the offerings includes 24 DSO equivalents (one channel may be used for signaling). A comparison of 23 business lines to one DSS shows Carbon at \$586 (23 lines x \$25.49) compared to DSS service for ranging from \$550 to \$660 depending upon term. The advantage to the customer is the elimination of up to \$174 of subscriber line charges required by the FCC. Because of this savings and inquiries into ISDN PRI offerings, Carbon anticipates growth in these types of circuits. Currently there are only four customers utilizing similar services in at an average price of \$702.

2. Carbon/Emery Telcom, Inc. P.S.C. Utah No. 1, Original Sheets No. 96.1-96.3.

These filings allow for the establishment of an Internet Protocol ("IP") Centrex/traditional Centrex offering in Carbon. The IP based functionality is inherent in two newly acquired soft switches (one each in Carbon and Emery); the soft switches coupled with the company's IP network core allow the offering of IP services to all customers served from the Price switch. Because soft switches cost only a small fraction of hardware based switches, and the advanced feature functionality is present without additional equipment, the incremental cost of

providing Centrex functionality is extremely low. Currently Carbon has no Centrex customers. Carbon believes the potential market for IP Centrex coupled with SIP phones is large representing a lower cost option compared to traditional key system solutions. The advantage to Carbon and the State would be an increase in revenue generation with no increase in incremental cost. The proposed pricing for Centrex consists of a low monthly cost per Centrex line extension (between \$5 and \$8 in addition to line charges where applicable) and a non-recurring installation or set-up fee ranging from \$10 to \$40 per CENTREX extension. Many of the features and the monthly pricing is comparable to advanced vertical calling features currently being offered to business and residential customers.

**3. GVNW Consulting, Inc. P.S.C. Utah No. 1, Original sheets No. 397.1-397.2 and 422.1-422.2.**

Carbon has upgraded various network components to allow the offering of Ethernet Transport Service (“ETS”). Carbon recently began to offer ETS as an interstate offering and feel it is critical to include an intrastate offering at similar rates to discourage a migration of existing state special access circuits to the lower priced ETS interstate circuits. The pricing differential between ETS and traditional special access circuits is primarily due to the use of a shared network core and “best effort” nature of ETS compared with traditional circuits comprised of dedicated bandwidth and point to point connections. ETS allows for significant special access bandwidth at an affordable rate making it very desirable for customers who do not mind the shared core; the shared core in turn allows oversubscription thus reducing cost to the company to provide the service. Carbon has received numerous inquiries for local point to point ETS services. Many of these requests are being provisioned as interstate service by adding an internet service connection point to the circuit, the end result is no additional opportunity for state/local revenue. Carbon has not yet experienced migration of existing special access circuits to ETS but has noted increased circuit requests due to the new offering. It is anticipated that the proposed ETS offering will prevent the loss of existing state access revenue and may result in additional revenue as a viable low-cost alternative to traditional special access.

Carbon hereby submits the enclosed tariff revisions pursuant to R-746-405-2(E)(2) and requests that the Commission waive the 30-day filing requirement and authorize the tariff sheets filed herewith to become effective on January 1, 2009. The waiver is sought, for the reason that the revisions constitute new Centrex and ETS services, and expands switched service offerings (at similar or lower rates). The early effective date of these changes will actually benefit current and prospective subscribers as well as the State USF.

If you have any questions regarding these filings, please feel free to contact me at 435-748-2223.

Regards

Darren L. Woolsey  
Chief Financial Officer

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